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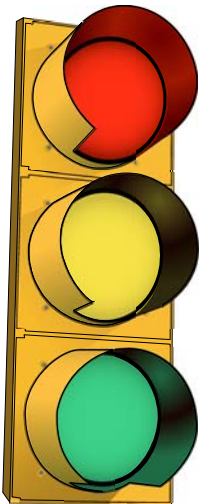
## *Addition to Chapter 6 of the Medicare Claims Processing Manual - Skilled Nursing Facility (SNF) Inpatient Part A Billing: SNF Prospective Payment System Pricer Software*

**Note:** This article was revised to contain Web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

### Provider Affected

Skilled nursing facilities (SNFs) and swing bed facilities billing Medicare fiscal intermediaries

### Provider Action Needed



#### **STOP – Impact to You**

This article is informational only as CR 3774 is placing information in its Medicare Claims Processing Manual concerning the SNF Pricer. Effective for cost reporting periods beginning on or after July 1, 1998 all skilled nursing services billed on a 21x bill type are reimbursed based on calculations made with the SNF Pricer. Effective for cost reporting period beginning on or after July 1, 2002, all swing bed facility claims billed on an 18x bill type are be reimbursed on calculations made by the SNF Pricer.

#### **CAUTION – What You Need to Know**

This instruction adds the SNF Pricer logic used to make payment determinations for SNF and swing bed (SB) prospective payment system (PPS) to Chapter 6, Section 30.6 (SNF PPS Pricer Software) of the Medicare Claims Processing Manual.

#### **GO – What You Need to Do**

Review Chapter 6, Section 30.6 of the Medicare Claims Processing Manual for details regarding the SNF Pricer. Note that a PC-based version of the SNF Pricer program may be found at <http://www.cms.hhs.gov/PCPricer/> on the CMS web site.

#### **Disclaimer**

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## Background

The Balanced Budget Act (BBA) of 1997 (Public Law 105-33) mandated the implementation of a per diem prospective payment system (PPS) for skilled nursing facilities (SNFs) that covers all costs (routine, ancillary, and capital) of covered SNF services furnished to beneficiaries under Part A of the Medicare program, effective for cost reporting periods beginning on or after July 1, 1998. Such claims are submitted on type of bill (TOB) 21X.

The Centers for Medicare & Medicaid Services (CMS) has previously developed an SNF Pricer program that calculates the Medicare payment rate for skilled nursing and swing bed facility services. (For cost reporting periods beginning on or after July 1, 2002, swing bed facility claims (TOB 18X) are reimbursed based on the calculations made by the SNF Pricer.)

The SNF Pricer is available electronically to the Medicare claims processing system and is updated at least annually. The SNF Pricer program can be found at <http://www.cms.hhs.gov/PCPricer> on the CMS web site. The purpose of CR 3774 is to revise Chapter 6 "Skilled Nursing Facility Inpatient Part A Billing," of the Medicare Claims Processing Manual to add Section 30.6 "Skilled Nursing Facility Prospective Payment System Pricer Software."

## Implementation

The implementation date for this instruction is August 1, 2005.

## Additional Information

The revisions to Chapter 6 of the Claims Processing Manual are included in CR 3774.

For complete details, please see the official instruction issued to your intermediary regarding this change.

That information may be found by going to

<http://www.cms.hhs.gov/Transmittals/downloads/R540CP.pdf> on the CMS web site.

If you have questions regarding this issue, contact your intermediary on their toll free number which is available at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

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